SK MILK MARKETING BOARD

UPDATE

March 15, 2011

PRODUCER MEETINGS – APRIL 4, 5 & 6, 2011

AGENDA

1. Registration – 9:15 a.m.
2. Update: Markets and Production
3. Policy Update
4. Dr. Steven Hendrick, U of S – Forage Quality Project
5. Agrifoods Update
6. Question Period
7. Other Business
8. Adjourn

DATE	MEETING START TIME	DISTRICT	LOCATION
Monday, April 4	9:45 a.m. Lunch 12 noon	Swift Current	F.O.A. Eagles 1910 S Service Rd. W Swift Current
Tuesday, April 5	9:45 a.m. Lunch 12 noon	Warman	Brian King Centre 202 8th Avenue N. Warman
Wednesday, April 6	9:45 a.m. Lunch 12 noon	Fort Qu'Appelle	Country Squire Inn Luxton Room Fort Qu'Appelle

IMPORTANT REMINDER -DESIGNATED REPRESENTATIVE FORM

This is a reminder to licensed producers to please complete the Designated Representative Form which was included with the December, 2010 newsletter. It is important that the form is completed and returned to the Board by fax or mail immediately.

These forms are required for your protection to ensure that only authorized individuals act on your behalf. This includes the authority to transfer credits and to make bids on the quota exchange. Also, only those persons authorized to vote on behalf of a licensed producer at producer meetings will have their votes recognized. Make sure that your vote counts by returning this form.

If you have misplaced your form, please contact the Board office. Those producers that have not returned their forms will be directly contacted by Board staff and asked to return their forms as quickly as possible.

CHAIRMAN'S MESSAGE – BLAINE McLEOD

The recent events unfolding in the Middle East have again brought into focus the importance of a secure and stable food supply. One of the root causes of the political instability has been the short supply and the high cost of food. The Tunisian fruit and vegetable salesman, Mohamed Bouazizi, was simply trying to earn a living and was denied that right because he would not pay the bribes to continue to be involved in the marketplace. He was pushed to the point that he thought his only option was an act of protest in which he set himself on fire by dousing his body with gasoline. His eventual death has sparked a revolt that ultimately brought about the downfall of the Tunisian government and that spirit of revolution has spread to many neighboring states. The ability to feed and care for your family and loved ones is something that we take for granted. We should never forget that we are indeed blessed to have the ability to work hard and be fairly rewarded for our labour. Our dairy industry enjoys security and stability and the protection and promotion of our system of supply management is indeed worthwhile.

One of the efforts that we were recently involved in was the annual lobby day that was organized by Dairy Farmers of Canada. It was my privilege to be a part of a team of directors and staff who were able to spend quality time with all but one of our MP's and Senators. Some of the key messages we were able to leave with our elected members is that our industry directly and indirectly sustains 215,000 jobs and contributes $15.2 billion to our annual GDP. In addition we contribute over $3 billion in tax revenue on a yearly basis to federal, provincial, and municipal governments. We received assurances that Canada will not trade away our system of supply management and that the interests of Canadian dairy farmers will continue to be defended at the international level. The time and effort spent in cultivating a relationship with our elected leaders is a significant investment but is well worth it. When we speak as one voice our message is heard and has been shown to be very effective. I recently read a quote from Theodore Roosevelt that summarizes quite well the lifestyle that we enjoy as Canadian dairy farmers. He said "No man needs sympathy because he has to work, because he has a burden to carry. Far and away the best prize that life offers is the chance to work hard at work worth doing."

I look forward to meeting with you at our spring producer meetings and want to encourage your attendance and involvement. As usual we have some important issues to discuss and we need to hear from the membership. Please make the days of April 4, 5, and 6 a priority and attend a meeting that is close to you. Further details are included in the newsletter.

Thanks for taking the time to read this message and if you have any questions please do not hesitate to call.

FORM DEADLINES TO BE STRICTLY ENFORCED

Producers, please be reminded of the following deadlines for submitting forms to the Board office. All forms must be 100% complete to be considered. **These deadlines will be strictly enforced by the Board, no exceptions.**

When mailing, faxing or emailing forms to the Board, producers should call the Board office to ensure that their forms have been received prior to the deadline.

1. Private Quota Transfers – **forms due by 11:59p.m. on the 6th day of each month for an effective date of the 1st day of the following month. This deadline also applies to farm name changes and moving to new production facilities.**

2. Quota Exchange Bids – **forms due by 11:59p.m. on the 6th day of each month for an effective date of the 1st day of the following month**

3. Transfer Credits – **forms due by 11:59p.m. on the 20th day of each month for an effective date of the 1st day of the same month**

4. Banking Information Changes – **Producers changing bank account information must notify the Board of this change at least 7 days prior to the next producer payment date.**

QUOTA EXCHANGE

The market-clearing price established for the March, 2011 Quota Exchange was **$27,000.00.**

The next Quota Exchange will be held on April 15, 2011. All offers to sell and bids to purchase quota through the Quota Exchange must be received at the SMMB office by midnight, April 6, 2011. The SMMB recommends that offers and bids be submitted well in advance of the deadline date to ensure adequate time for corrections, if necessary.

Just a reminder to producers that when making bids on the Quota Exchange, the price on offers to sell quota is the minimum price that the producer is prepared to accept for that quota. Only if the market-clearing price is equal to or greater than the producer's minimum price will that producer qualify for participation in the Exchange. Conversely, the price on offers to purchase quota is the maximum price that the producer is prepared to pay for that quota. Only if the market-clearing price is equal to or less than the producer's maximum price will that producer qualify for participation in the Exchange.

The clearing price is set at the price where the smallest difference exists between the accumulated volume offered for sale and the accumulated volume bid to purchase.

The results of the Quota Exchange are outlined in the following Table.

MARCH, 2011 QUOTA EXCHANGE RESULTS

Market Clearing Price per kilogram of butterfat	**$27,000.00**
Daily Kilograms offered to Purchase	**9.50**
Kilograms offered to Sell	**27.78**
Kilograms sold	**9.50**
Number of Producers	
- offered to purchase	**3**
- purchased quota	**3**
- offered to sell	**6**
- sold quota	**3**

MARCH, 2011 QUOTA EXCHANGE CLEARING PRICE RESULTS

Price ($/daily kg b.f.)	No. of Sellers	Cumulative Sellers	Daily Kgs b.f. offered for sale	Cumulative sales	Cumulative Sales less Cumulative purchases	Cumulative purchases	Daily Kgs b.f. offered to purchase	Cumulative Buyers	No. of buyers
26,800.00	1	1	4.00	4.00	-5.50	9.50	0.00	3	0
27,000.00	**2**	**3**	**6.00**	**10.00**	**0.50**	**9.50**	**0.00**	**3**	**0**
28,000.00	1	4	9.30	19.30	9.80	9.50	0.00	3	0
28,196.25	0	4	0.00	19.30	9.80	9.50	5.50	3	1
28,470.00	0	4	0.00	19.30	15.30	4.00	2.00	2	1
28,616.00	0	4	0.00	19.30	17.30	2.00	2.00	1	1
29,000.00	1	5	3.00	22.30	22.30	0.00	0.00	0	0
29,930.00	1	6	5.48	27.78	27.78	0.00	0.00	0	0

TRANSFER CREDIT SUMMARY REPORT

MONTH	# OF PRODUCERS TRANSFER IN	# OF PRODUCERS TRANSFER OUT	TOTAL KGS BUTTERFAT
February	11	12	10,421
March	8	9	4,251
April	21	14	15,941
May	16	12	16,293
June	17	14	17,870
July	12	9	7,641
August	7	7	6,926
September	15	21	28,149
October	15	12	18,550
November	23	21	31,871
December	25	26	33,472
January/11	27	20	29,306
February	25	19	25,424

OVER QUOTA (OVER 10 DAYS) REPORT BY MONTH

MONTH	# OF PRODUCERS	KGS BUTTERFAT
February	20	3,338
March	15	2,743
April	16	3,158
May	9	2,330
June	5	360
July	4	504
August	0	0
September	0	0
October	1	2
November	2	615
December	1	307
January 2011	0	0
February	2	134

SUMMARY REPORT OF CREDITS AS OF February, 2011 – 187 PRODUCERS

DAYS	# OF PRODUCERS	POSITIVE CREDITS ACCUMULATED (KGS OF BUTTERFAT)
+10	2	0
+ 5 to +10	13	3,916
0 to + 5	22	17,219
TOTAL	37	21,135
DAYS	**# OF PRODUCERS**	**NEGATIVE CREDITS ACCUMULATED (KGS OF BUTTERFAT)**
-20	20	-39,963
-15 to -20	41	-102,597
-10 to -15	36	-71,422
-5 to -10	28	-25,490
0 to -5	25	-8,882
TOTAL	150	-248,354

LOST OPPORTUNITY REPORT

MONTH	# OF PRODUCERS	LOST OPPORTUNITY (KGS OF BUTTERFAT)
February	1	1,165
March	3	1,389
April	5	3,319
May	5	4,097
June	5	4,108
July	6	4,673
August	10	7,398
September	8	3,646
October	10	5,986
November	33	25,200
December	20	6,612
January, 2011	18	3,201
February	20	5,047

WEIGHTED AVERAGE COMPONENT TESTS & PRICES February 2011

Components	Average Test	Price per kilogram Class 1 to 5
Butterfat	3.8246	$12.240899
Protein	3.3271	$9.240882
Other Solids	5.6979	$1.348980

Based on the average component tests for the province, the average price received was $85.2484 per hectolitre. **The average butterfat price received per kilogram was $22.29.**

SASKATCHEWAN MILK POOL RESULTS February, 2011

Milk Sale Revenue	$ 14,491,431.17
Western Milk Pool	$ 366,894.69
CDC Surplus refund	$ 218,701.00
Dairy Farmers of Canada Skim Off	$ - 18,225.64
Plant of Last Resort Service	$ - 56,327.28
Total Pool Value	**$ 15,002,473.94**

PRODUCER PRICES FOR FEBRUARY, 2011

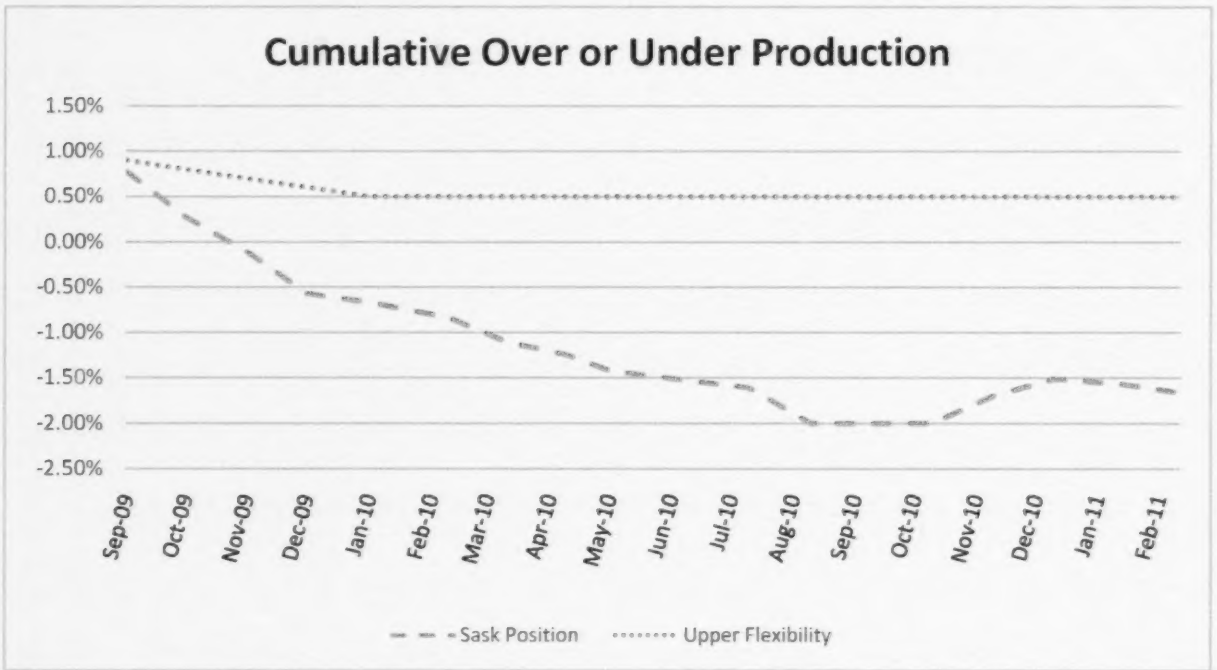
The February, 2011 month-end payment on March 15th to will be the highest component prices the Board has ever paid to producers. There are three main factors for this high component price.

1. $366,894 was received from the Canadian Dairy Commission (CDC) for January, 2011 pooling results.

2. $218,701 was received as a one-time payment from the CDC for surplus dollars earned from the sale of Export Butter and Export Skim Milk Powder; and
3. There were no sales of low-priced Special Class products from Saskatchewan.

Next month, the Board will be a contributor into the Special Class Pool for February pooling results. These results will be used to calculate producers' payments for March 2011 production paid April 15th.

Depending on March production from the farm, how the milk is utilized in the plant and dollars contributed in the pool, the March month-end payment will be lower that February. Although it is not possible to predict what the March, 2011 month-end price will be, producers should be aware of this situation and plan cash-flows accordingly.



In February, Saskatchewan had a monthly CDC allocation of **682,398 kilograms** of butterfat. In the month of February, Saskatchewan production was **-9,193 kilograms** of butterfat **under** and cumulatively **under** by **-145,054 kilograms** of butterfat. On a percentage basis, Saskatchewan is at **-1.66%** within our CDC allocation flexibility limits based on the Continuous Quota model. The -1.50% lower limit is in effect.

	(1) Monthly Total Production Kgs bf	(2) Total Monthly CDC Quota Allocation Kgs bf	(3) Monthly Over or (Under) Production Kgs bf col. 1 – 2 = 3	(4) Lower Flexibility Limit **(1.5%)** Kgs bf col. 9 * -1.5%	(5) Upper Flexibility Limit **1.0%** Kgs bf col. 9 *1.0%	(6) Cumulative Over or (Under) Production with limits Kgs bf	(7) Cumulative Over or (Under) Production with limits in % col. 6 / 9	(8) Over Quota or (Lost Production Opportunity) Kgs bf	(9) Rolling 12 Month Total Quota Kgs bf
Feb-10	646,894	662,212	(15,318)	(129,128)	43,043	**(72,653)**	**-0.84%**		8,608,523
Mar-10	714,037	735,808	(21,771)	(128,999)	43,000	**(94,424)**	**-1.10%**		8,599,939
Apr-10	694,816	707,608	(12,792)	(129,004)	43,001	**(107,216)**	**-1.25%**		8,600,248
May-10	708,117	722,125	(14,008)	(128,956)	42,985	**(121,224)**	**-1.41%**		8,597,078
June-10	684,369	694,478	(10,109)	(128,998)	42,999	**(131,333)**	**-1.53%**		8,599,843
July-10	697,489	704,201	(6,712)	(128,936)	42,979	**(138,053)**	**-1.61%**		8,595,753
Aug-10	682,923	717,474	(34,551)	(129,144)	43,048	**(172,194)**	**-2.00%**	(410)	8,609,692
Sep-10	673,445	727,727	(54,282)	(129,713)	43,175	**(172,699)**	**-2.00%**	(53,777)	8,634,934
Oct-10	694,237	756,826	(62,589)	(129,614)	43,207	**(172,830)**	**-2.00%**	(62,458)	8,641,482
Nov-10	686,111	752,717	(66,606)	(130,059)	43,353	**(146,520)**	**-1.69%**	(92,915)	8,670,615
Dec-10	731,120	785,901	(54,781)	(130,400)	43,467	**(131,008)**	**-1.51%**	(70,294)	8,693,300
Jan-11	742,948	758,126	(15,178)	(130,878)	43,626	**(135,861)**	**-1.56%**	(10,324)	8,725,211
Feb-11	673,205	682,398	(9,193)	(131,181)	43,727	**(145,054)**	**-1.66%**	0	8,745,397

(1) Monthly Production in Saskatchewan
(2) Total Monthly Quota = Class 1 sales + Monthly MSQ + Carry Forward
(3) Difference between the monthly production (1) and the total monthly quota (2)
(4) The Lower Flexibility Limit is -1.5% of Rolling 12 Month Total Quota (9)
(5) The Upper Flexibility Limit is 1.0% of Rolling 12 Month Total Quota (9)
(6) Previous Month Cumulative Over or (Under) Production + Current Monthly Over or (Under) Production (capped at lower or upper limit if applicable)
(7) Equal to Column (6) expressed as a percentage basis within the flexibility limits
(8) Over Quota or (Lost production opportunity) outside of flexibility limits
(9) Total Monthly CDC Quota Allocation for the previous 12 months

QUOTA LISTING SERVICE

The SMMB offers a free quota listing service as part of its Newsletter. Anyone wishing to sell or purchase quota and/or cows or miscellaneous dairy equipment is welcome to contact the SMMB office at (306)787-5319. All prices and negotiations will be independent of the SMMB.

Auction Sale & Show

Auction: Prairieland Park Tuesday April 12, 2011 at 11:00 a.m. Sale includes milkers, springers, heifers and show animals with deep pedigrees. Something for everyone. Barn yard lunch to follow.

Show: Wednesday, April 13, 2011 at 9:00 a.m.
Sale contacts:
Ryan Friesen (306) 501-1745
Jordan Konkel (306) 539-0726

Quota & Cows wanted to Purchase

- Wanted – baby calves one week and older, also some started calves up to 800 lbs. Contact Ralph Lesage @ (204) 745-7917
- Wanted – cows and quota – Contact Don (306) 270-4700
- Wanted – Dairy Cows or bred heifers. Call anytime/leave message (604) 855-2731 or (306) 867-2176
- Wanted to purchase cows and quota. Contact Ken (306) 229-4591

Quota & Cows for Sale

- For sale - Rivercrest Land & Cattle: Dairy Cows for sale. Fresh and springers. Registered or Grades. Can fill any order for any amount. Call Tom @ cell (306) 220-0498 or farm (306) 225-4423.

- For sale - Breeding bulls available from high producing Vg/Ex dams. Call Johan de Haan @ Ostara Holsteins Ltd. (306) 778-3992 or (306) 750-7273.

Equipment For Sale

- New Dairymaster Parts available. Grain tank, auger and hydraulics for bale handler. Call Johan de Haan @ Ostara Holsteins Ltd. (306) 778-3992 or (306) 750-7273.

- Pasture mats for sale 4' x 7'. Contact Willie @ (306) 948-2716.

- 3000 gallon Mueller HiPerform milk tank with cooling condensers and compressor. Contact Holstein Haven Ltd. (306) 228-2921 or (306) 228-3846.

- Alfa Laval Agri Maestro Double ten milking parlor made for double seven at present. Contact Holstein Haven Ltd. (306) 228-2921 or (306) 228-3846.

- Like new Knight Reel – Auggie 3250 Stationary Feed Mixer with 15' Conveyer & Electronic Scale – Phone (306) 280-6408

- - manure dumplids 4' x 8' - $400 each
  - 1 – 2,000 imp. gal poly water tank - $500
  - 160 cozy cow mattresses 64" - $25 each c/w heavy duty cover
  - various swing gates 4 and 5 bar, 10 to 14 ft.
  Call Frans @ (306) 826-5776 – home or (306) 823-7262 – Cell

- 2000 U.S. Gallon Alfa-Laval Milk Tank with cooling condensers and compressors. Contact Ferch Farms (306) 736-2205.

- Dairy Equipment for Sale: 1 18" x 10' belt conveyor; 6 Waikato milk meters; 6 Delaval milk machines with vacuum pulsators; Delaval vacuum pump with 7.5 hp motor. Contact Lloyd Sawatzky, Saskatoon, SK Phone (306) 239-4818. Cell (306) 281-2247.

- 2 – 6 inch electric augers, 10 & 14ft; Harvestore, Goliath and Hercules unloaders; 6 Tru test milk meters; Surge Electrobrain parts; Mueller tank parts; Alamo 100 pump and motor. Contact Leonard Blocka (306) 764-8439 or cell (306) 960-6608.

- 16 Waikato milk meters $250 each; 5,000 gallon new Delaval bulk tank, made in U.S.A. $50,000. Contact Corman Holsteins (306) 933-4608

Feed For Sale

- Large round straw bales. Hague area. Can deliver. Contact Mel Foth (306) 232-3462.

- 1,400 forage hay bales for sale with test results at Ardill, SK (60 km. south of Moose Jaw). Contact Daniel Strom @ (306) 354-2635 or email dan-astrom@hotmail.com

- Pure Alfalfa hay for sale. 2010 crop – no rain. Protein 18.8 (Winnipeg test). Organic crop. Wt. average 1,650 lbs. Phone (403) 803-9117.

- 445 Alfalfa Brome Bales $60.00/ton – excellent quality; 347 medium quality $40/ton; 175 poor quality $20/ton. Phone Wayne (306) 847-4450 (home) or (306) 963-7792 (cell). Bales are located at Liberty, SK.

- Hay for sale: Alfalfa or alfalfa/grass…3,000 round bales. Contact Simon Mandel (403) 664-9525.

- 155 hard core 1000 lb bales of 95% Alfalfa for sale. 3rd year crop, no chemicals used. A bit rich for most horses and meat cattle. Good for dairy cows. Located in Bulyea, 1 hour north of Regina. Can arrange for loading. Contact Brenda @ (306) 725-3367.

- For sale: 70 second cut Alfalfa round bales. Net wrapped, no rain, 19.9 protein 1650 lbs. Call (306) 948-2395 Biggar, Saskatchewan.

- Alfalfa for sale. Contact Ron (306) 477-2570 or Ken (306) 374-8980.

- All Large square bales: Flax (awesome for wind break); Canola straw and Greenfeed. Call Jake Boot (306) 867-9926 or (306) 867-3899.

- 2nd cut alfalfa round bales, net wrap. Est. 1400 lbs.; Analysis available; Protein 19.76%. Phone or fax (306) 228-3727; Unity, SK

- 6 quarters of hay/alfalfa available for long-term contract – you specify the preferred mix and handling. Ten minutes north of Estevan (306) 634-4382.

- 134 top quality 2nd cut alfalfa hay bales, very clean, all leaves intact. Call for more info. Taking offers (306) 276-2003 Nipawin

- Dairy Quality Hay 4 Sale – delivered. Contact Dale @ (204) 638-5581. Dauphin, Manitoba.

- 50 Acres Greenfeed barley for sale in Bellevue area (63 day barley seeded July 5). Fields are clean. Can sell standing or baled. Taking offers. Contact Andy Grenier at Home: (306) 423-5682 or Cell: (306) 233-7835.

Miscellaneous

- **KLOK HOOF CARE** is now serving southern Sask. Trained and certified at the Dairyland Hoof Care Institute and again at Iowa State University Vet School! Competitive rates! Contact William Klok @ (403) 894-9587 or klokhoofcare@gmail.com

- First year med student in Saskatoon is looking for a summer job on a dairy farm. Would prefer to stay in the Saskatoon area. Contact Taija Watson (306) 280-5332.

- **Attention: Farm Help Needed?** Actyl Group is Canada's leader in Workforce Solutions and Recruitment and Immigration. We can help solve your labour requirements through the Foreign Worker Program by supplying your farm operation with experienced (veterinarians), skilled, hard working candidates. Several of our clients in Saskatchewan have had excellent results. Please visit our website www.actylcom or contact Trevor Steinke at (306) 569-7935 tsteinke@actyl.com

- Hoof Care Trimming. Modern one of a kind trimming chute. Cattle, horses, donkeys, llamas. 22 years trimming experience. Box 35, Moose Jaw, SK. Telephone (306) 694-4234; cell: (306) 631-8013.

Miscellaneous - Wanted to Purchase

- Used Nasco breeding wheel. Contact El-Nell Farms Ltd., Darren Haupstein @ (306) 842-5655

- Wanted: 300-400 gallon used bulk tank. Call Harvey (306) 842-4701

- Milk Cooling Compressors or bulk tank with milk cooling compressors. Contact Darcy Loewen @ (306) 493-8201 or (306) 493-7631.

- Used bulk tanks, all sizes. 300-600 preferred. Abe Buhr, 18 Westcott Bay, Brandon, Manitoba R7B 2V6 Phone (204) 727-3074.

FREQUENTLY ASKED QUESTIONS

Questions most frequently asked by producers.

What is the maximum amount of transfer credits that I can transfer out in a month?

The maximum transfer credits a producer can transfer out in a month are equal to what the producer's cumulative under position was in the previous month. You can only transfer out to a cumulative position of zero credits.

What is the maximum amount of transfer credits that I can transfer in?

There is no limit to the amount of credits that can be transferred in within a rolling 12 month period. The only limit when transferring in credits would be to not drop below the -30 credit day limit **(-20 credit days effective the end of November)** at the end of each month or you will have lost the opportunity to carry-forward those credits to produce that milk in the future.

What is the deadline for transfer credits?

The transfer credit deadline for any month is by midnight of the 20th. For example any transfer credit forms in the Board Office on or before midnight of January 20th will be effective January 1st.

SMMB BOARD OF DIRECTORS

	PHONE	EMAIL
Blaine McLeod - Chair	(306) 756-2775	rb.mcleod@sasktel.net
Melvin Foth – Vice Chair	(306) 225-4678	fvl@sasktel.net
David Entz	(306) 626-3215	davidentz3662@gmail.com
Jack Ford	(306) 328-4700	jackford@sasktel.net
Jason Wildeboer	(306) 249-4358	skunkhollow@yourlink.ca
Isaac Klassen	(306) 249-4435	isaac00@sasktel.net
Jim Ross	(306) 697-2232	jimleeholsteins@sasktel.net
Juliann Lindenbach	(306) 771-2776	robella@sasktel.net
Sheldon Peifer	(306) 862-9470	dspeifer@sasktel.net

For further information, please contact the SMMB office.

1210-2500 Victoria Avenue
Regina, Saskatchewan S4P 3X2
Website: www.saskmilk.ca

Telephone (306) 787-5319
Fax: (306) 787-1988
Email: info@saskmilk.ca